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MEMORANDUM FOR THE DIRECTOR OF CENTRAL INTELLIGENCE

SUBJECT: Inter Agency Views on SE-22: Consequences of Certain Possible US Courses of Action with Respect to Indo-china, Burma, and Thailand

BACKGROUND

1. SE-22 was prepared on a "crash" basis in response to an NSC Staff request in connection with NSC 124. By the President's direction, the NSC will consider NSC 124 on 5 March. The IAC must complete its action on SE-22 on 28 February in order to make it available for concurrent consideration.

2. The Terms of Reference for SE-22 were devised by us in elaboration of an inexplicit NSC request, but were checked with members of the NSC Senior Staff individually. The Draft presented is much narrower in scope, but does cover the essential problem indicated in our consultation with the Senior Staff. The omissions are of two sorts:

a. Matters omitted by direction of Mr. Becker as being of a diplomatic operational rather than an intelligence character.

b. Peripheral matters suggested by single members of the Senior Staff, the inclusion of which would have prevented us from meeting the deadline with the essential estimate.

SUBSTANCE

3. The IAC Representatives have concurred in the present Draft with the following reservations:

a. Page 1: State would add the sentence in the footnote. This sentence was rejected by the Board and the Service Agencies. It was also rejected in the consideration of NIE-35/1 without a State reservation in that case.

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b. Page 2, footnotes 1 and 2. State objects to any reference to the timeliness of military counteraction for the reason given. The Board and the Service Agencies held that the timeliness of the military counteraction would be an important factor in Communist calculations.

c. Page 2, footnote 3. State wished consideration of the relative merit of a public or secret warning, but offered no substantive estimate on the point with which others could agree. In the opinion of the Board and Service Agencies the subject should be omitted for the following reasons:

- (1) It is a diplomatic operational matter;
- (2) It cannot be disposed of as State suggests, but would require several paragraphs of discussion under various contingencies, unduly complicating the already complex draft.
- (3) No satisfactory estimate could be drafted and agreed upon within the time available.
- (4) The point is not essential to the estimate presented in the Draft.

d. Page 9, line 5. The Navy objected to the reference to "diversionary threats." The basis of the objection appeared to be a misapprehension as to the meaning of the word "threat" and it is possible that the objection will not be pressed after further consideration. All others considered the idea an important one and favored its inclusion.

e. Page 9, lines 9-11. The Navy objected to the sentence about de facto war on the ground that it would apply only in the case of hostilities in Korea and its vicinity. The sentence is actually based on assumption that the Chinese Communist aggression in Southeast Asia had led to general hostilities in the Far East. The difficulty might be resolved by introducing the disputed sentence as follows: "If general hostilities between Communist China and the five powers had developed, Soviet aid to Communist China might even include..."

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